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S.B. No. 460

A BILL TO BE ENTITLED

AN ACT

relating to general obligation bonds issued by political subdivisions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 4.003(f), Election Code, is amended to read as follows:

(f) A debt obligation election order required under Section 3.009 shall be posted:

(1) on election day and during early voting by personal appearance, in a prominent location at each polling place;

(2) not later than the 21st day before the election, in three public places in the boundaries of the political subdivision holding the election; and

(3) during the 21 days before the election, on the political subdivision's Internet website, prominently and together with the notice of the election, ~~and~~ the contents of the proposition, and any sample ballot prepared for the election, if the political subdivision maintains an Internet website.

SECTION 2. Section 85.062, Election Code, is amended by adding Subsection (h) to read as follows:

(h) In an election at which a political subdivision submits a proposition to the voters to approve the issuance of general obligation bonds, the entity that establishes early voting polling places under this section may not establish the polling places with

1 the intent to affect the outcome of the election.

2 SECTION 3. Subtitle C, Title 9, Government Code, is amended  
3 by adding Chapter 1253 to read as follows:

4 CHAPTER 1253. GENERAL OBLIGATION BONDS ISSUED BY POLITICAL  
5 SUBDIVISIONS

6 Sec. 1253.001. DEFINITION. In this chapter, "political  
7 subdivision" means a county, municipality, school district, junior  
8 college district, other special district, or other subdivision of  
9 state government.

10 Sec. 1253.002. LIMITATION ON AUTHORITY TO ISSUE GENERAL  
11 OBLIGATION BONDS. (a) In this section, "improvement" and  
12 "personal property" have the meanings assigned by Section 1.04, Tax  
13 Code.

14 (b) Notwithstanding any other provision of law, a political  
15 subdivision may not issue general obligation bonds to purchase,  
16 improve, or construct improvements or to purchase personal property  
17 if the weighted average maturity of the issue of bonds to finance  
18 the improvements or personal property exceeds 120 percent of the  
19 reasonably expected weighted average economic life of the  
20 improvements or personal property financed with the issue of bonds.

21 Sec. 1253.003. USE OF UNSPENT GENERAL OBLIGATION BOND  
22 PROCEEDS. (a) A political subdivision may use the unspent  
23 proceeds of issued general obligation bonds only:

24 (1) for the specific purposes for which the bonds were  
25 authorized;

26 (2) to retire the bonds; or

27 (3) for a purpose other than the specific purposes for

1 which the bonds were authorized if:

2 (A) the specific purposes are accomplished or  
3 abandoned; and

4 (B) a majority of the votes cast in an election  
5 held in the political subdivision approve the use of the proceeds  
6 for the proposed purpose.

7 (b) The election order and the notice of election for an  
8 election described by Subsection (a)(3)(B) must state the proposed  
9 purpose for which the bond proceeds are to be used.

10 (c) A political subdivision must hold an election described  
11 by Subsection (a)(3)(B) in the same manner as an election to issue  
12 bonds in the political subdivision.

13 SECTION 4. Chapter 1332, Government Code, is repealed.

14 SECTION 5. Section 1253.002, Government Code, as added by  
15 this Act, applies only to a general obligation bond authorized to be  
16 issued at an election held on or after the effective date of this  
17 Act.

18 SECTION 6. This Act takes effect September 1, 2017.